

PX 439

From: [REDACTED]
To: Miguel Vias
Sent: 7/20/2017 7:24:01 AM
Subject: Fwd: Interviews with [REDACTED]

Let me know if you have any other Qs and good luck! Let's make XRP shine vs the rest today :)

Sent from my iPhone

Begin forwarded message:

From: [REDACTED] >
Date: July 20, 2017 at 7:21:46 AM PDT
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Interviews with [REDACTED]

Thanks Miguel, [REDACTED] has confirmed 4pm today UK time 8 PST

Please use the dial-in details below for the call:

[REDACTED]

Below is some information about [REDACTED]

[REDACTED] is a Technology news editor at [REDACTED]. Prior to this he covered banking for the [REDACTED] business team, joining in July 2012 from City AM. James writes daily for [REDACTED] but also writes for the Sunday paper and online.

Recent articles by [REDACTED] can be found [here](#).

Ripple has not previously spoken to [REDACTED] so he will be interested to hear about the company, your role at Ripple as well as wider industry trends. In particular he will want to hear about the recent success of XRP and why this is the case. He will also want to hear details about the fall in the market share of Bitcoin and how new cryptocurrencies have attributed to this.

Suggested talking points include:

Suggested key takeaways:

- State of Digital assets: Still very early days but we're seeing real use cases and the market is certainly gaining strong momentum/traction
- When compared to other digital assets, XRP is faster, more efficient and more scalable
- Market will continue to grow as long as we're solving real problems for customers

Potential Questions:

- Are we in a bubble?
 - Point #1:
 - If anything, the market is UNDERvaluing digital assets for the role they can play in completely transforming financial infrastructure.
 - XRP, for example, plays a role in cross-border payments that *no fiat currency* can play, enabling financial players to service liquidity on demand - USD, CNY, EUR, JPY can't serve that role.
 - To put it in perspective, the market cap of the top 3 digital assets combined is <\$100 billion which pales in comparison to the market cap of the USD at \$4 trillion or CNY at \$7 trillion.
 - Expect the market caps of digital assets to reach the trillions as the use case gains adoption.
 - SaxoBank (recent research) predicts a total market cap of \$5 trillion by 2027 (assuming digital assets comprise 10% of all currency trades).
 - Point #2:
 - We're seeing signs that the world is accepting digital assets as a legitimate new asset class.

- o For example, we're seeing digital asset indexes crop up and investment managers looking to add digital assets to their portfolios (e.g. DCG's [REDACTED]).

- Legitimacy will spur demand, which will drive value.
- Doesn't the sell off indicate a bubble (with possibly more to come)?
 - o Digital assets is a maturing market. Where there's low liquidity, expect swings in price.
 - o Long term, expect the trend line to go up and to the right because these assets solve real problems in the financial world.
 - o Even with recent swings, zoom out and look at the market's performance over a six-month horizon: ETH is up 3000% since Jan and XRP is up 4000%.
 - o Even for a MAJOR currency, in its first three years of existence the EUR's annualized volatility against the USD was in the double digits and today it's in the single digits (> 12% to now < 9%).
 - o That's not to say all digital assets are created equal - only the strong will survive. Technically strong assets that solve real world problems will prevail.
 - There's a gaggle of "flash in the pan" assets that have entered the market recently, capitalizing on the momentum generated by the early entrants like BTC and XRP.
 - As the immaturity and lack of real world utility comes to light for many of these "me too" assets, we can expect to see a market correction and sobering price adjustments for the longtail.
 - The culling of the herd will benefit the quality assets like BTC and XRP.
- Why has Ripple's XRP been successful?
 - o XRP is more stable relative to ether, bitcoin and the others because it serves a specific use case for real customers and it's steadily building value without much drama.
 - On use case: financial institutions can use XRP to lower the liquidity costs of cross-border payments. We have more than 75 customers using our cross-border payments solution and we can augment the value they're already getting with XRP as a next step. On the other hand, lots of banks and businesses advertise science experiments for a litany of use cases with ether and bitcoin, but when you look under the hood, it's a lot of sizzle and no steak yet.
 - On low drama: While it's hard to pinpoint specific causes of market moves, Ethereum and Bitcoin have made a lot of dramatic headlines as of late about ICOs and community civil war. On the other hand, we've been focused on making cross-border payments frictionless and steadily announcing customer uptake and product improvements for three years now.
- Thoughts on ICO traction?
 - o The idea of applying the sale of digital assets to fund tech development is smart. It aligns investor interests with improving the tech for real use cases and customer adoption.
 - o Dubious given regulation issues, not sustainable
 - o Pretty difficult to circumvent the US government/SEC
 - o New investment models, including ICOs, present risk. There's a lot of unknown. We saw that just a few months ago when investors were set to lose \$60 million from a hack on a new type of Ethereum investment (the DAO). Know what you're buying before you're in too deep.
- Who are your customers/Real Use Cases?
 - o We currently have more than 75 real customers
 - Recently announced financial institutions include MUFG, BBVA, SEB, Akbank, Axis Bank, YES BANK, SBI Remit, Cambridge Global Payments, Star One Credit Union and eZforex.com
 - May be able to reference [REDACTED]
- What will the industry look like in 5 years?
 - o Still very early - but the market is certainly gaining traction/momentum.
 - o Expect the market caps of digital assets to reach the trillions as the use case gains adoption
 - SaxoBank (recent research) predicts a total market cap of \$5 trillion by 2027 (assuming digital assets comprise 10% of all currency trades)

XRP Key Messages

- XRP is the only digital asset with a clear use case – it's the best digital asset for payments
- XRP can be used by financial institutions for much more efficient liquidity for cross-border payments - this means greater access to emerging markets.
- XRP is faster, more efficient, and more scalable than bitcoin (BTC), which has reached its limit to process transactions

Bitcoin De-positioning

- Early doesn't = winning
 - "Bitcoin is like Napster...early player, anarchist, proved the technology but didn't win as a business"
- Bitcoin's problems: Regulation, speed, scalability, and cost
 - "If regulations don't kill bitcoin, its own community will"
 - Two SEC ETF denials in March
 - Hard fork debates ongoing since 2015

Ethereum Reactive Messaging

- [Reactive] Ethereum was the first to show the dark side of ICOs...they had to create a new version to reverse a \$40 million theft when a hacker exploited a vulnerability in the code" (smart contracts issue)
 - "The promise of Ethereum - smart contracts - is also its biggest flaw"

Bitcoin vs. ETH vs. XRP

- First key difference: BTC + ETH were built for consumers, XRP was built for enterprise
- Use case: Silk Road (BTC) vs. banks (XRP) vs. ?? trying to find a use case for everything from the auto industry to pharma (ETH)
- You can see these differences play out in how we were built and set up – XRP is cheaper, faster and more consistent than either one of these coins because we don't rely on mining
 - BTC 10+ hrs ([source](#)) vs. ETH 17+ seconds ([source](#)) vs. XRP 3.7 seconds
 - BTC's \$0.62/transaction ([source](#)) vs. ETH average \$0.1672/transaction ([source](#)) \$0.0003/transaction
 - Governance: we've proven responsible stewardship of XRP and are very transparent about how it is distributed. BTC and ETH are controlled by miners with competing interests, leading to less predictability (hard forks, potential for a few miners to greatly impact the price, etc.)

Ripple Key Messages

- Ripple provides one frictionless experience to send money globally using the power of blockchain
- Payments today are hamstrung by outdated infrastructure
 - Chains of banks make cross-border payments slow, unreliable and expensive
 - Because there's no such thing as a *global* payments network
- People and businesses increasingly need to send money internationally and expect the same ease they experience with domestic payments
- With Ripple, financial institutions can process their customers' payments anywhere in the world, instantly, reliably, and cost effectively using just one API
- We currently have more than 75 real customers
 - Recently announced financial institutions include [MUFG](#), [BBVA](#), [SEB](#), [Akbank](#), [Axis Bank](#), [YES BANK](#), [SBI Remit](#), [Cambridge Global Payments](#), [Star One Credit Union](#) and [eZforex.com](#)

XRP Key Messages

- XRP is the only digital asset with a clear use case – it's the best digital asset for payments
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Below is the draft of the XRP report that will be launched this afternoon:

Q2 2017 XRP Markets Report

In order to continually improve the health of XRP markets globally, we will share regular updates on the state of the market including quarterly sales, commentary on previous quarter price movements and related company announcements.

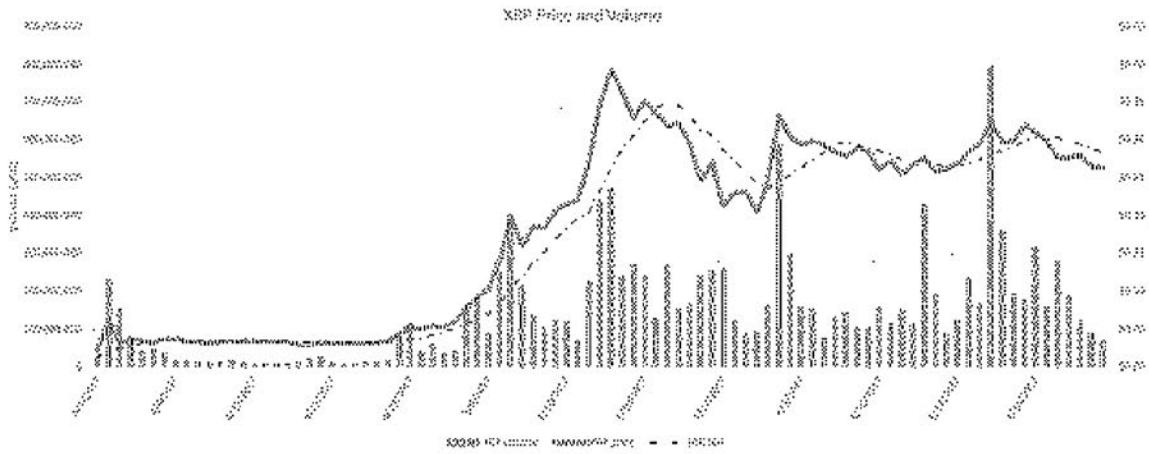
Quarterly Sales

In Q2, market participants purchased \$21M directly from XRP II, LLC*, Ripple's registered and licensed money

service business (MSB). These buyers tend to be institutional in nature and their purchases include restrictions that help mitigate the risk of market instability due to large subsequent sales. Additionally, XRP II, LLC* sold \$10.3M worth of XRP. These sales are executed daily as a small percentage of overall volume. For Q2, they represented 0.09% (9 basis points) of the total \$11.06B traded.

Market Commentary: Things Have Changed

Q2 2017 was one of the most significant quarters to date for XRP markets. In fact, it might represent a sea change in XRP's adoption and relevance in the space. Though it's difficult to discern which of the many developments was most important, the most dramatic had to be XRP's price increase. XRP finished the quarter at \$0.263, a stunning QoQ increase of 1159% and YTD growth of 3977%. At its peak on May 17, XRP reached \$0.394, up 6012% this year and 1787% this quarter. There were some indications in Q1 that the days of sub one cent prices for XRP were in the rearview mirror, but this type of paradigm shifting performance was certainly difficult to predict.



Recent Announcements and Market Adoption

There were a number of significant announcements and events which clearly contributed to XRP's incredible second quarter.

The Q1 report stated that Ripple would communicate XRP developments more frequently and Q2 saw some very important announcements:

- [Ten New Customers Join Ripple's Global Payment Network](#)
- [How Ripple Is Further Decentralizing the XRP Ledger](#)
- [Ripple to Place 55 Billion XRP in Escrow to Ensure Certainty of Total XRP Supply](#)
- [XRP Liquidity to Deepen with Listings on Six New Exchanges](#)

Each of these was instrumental in helping to drive XRP interest and volume in Q2. The market responded favorably to the escrow and decentralization announcements in particular. They both laid out clear plans for Ripple to address the top concerns about XRP, building the market's trust in Ripple and XRP.

Blockchain Adoption on the Rise

From a broader perspective, a number of sovereign institutions and international corporations signaled an interest to adopt digital assets and blockchain-based solutions generally.

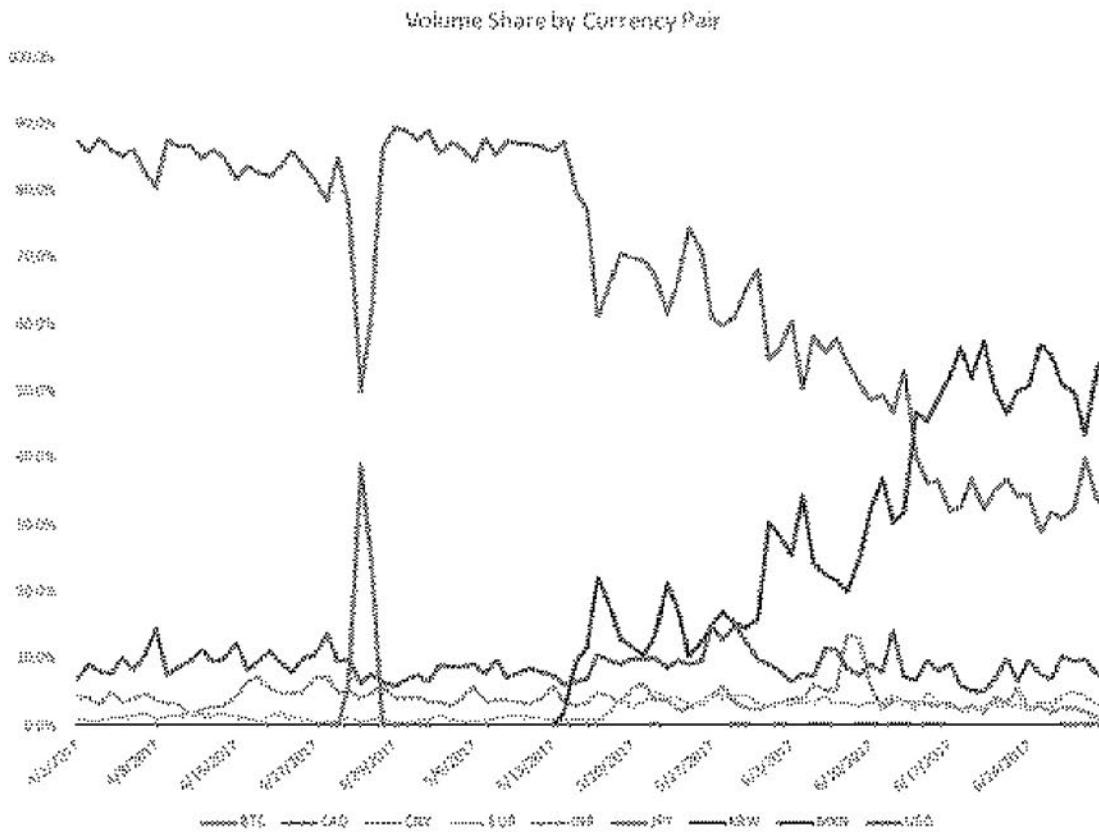
- [Japan Enacts Regulation for Digital Currency Exchanges](#)
- [China's Central Bank Completes Digital Currency Trial on a Blockchain](#)
- [Blockchain Regulations Likely By 2019, Russian Ministry Says](#)

- Ripple Selected to Participate in the Bank of England FinTech Accelerator

Taken together, the positive XRP-specific news and the generally favorable and embracing stance by established institutions were key catalysts of activity, not only in XRP markets, but in digital asset markets broadly.

Volume Growth: It's Now Easier to Access XRP

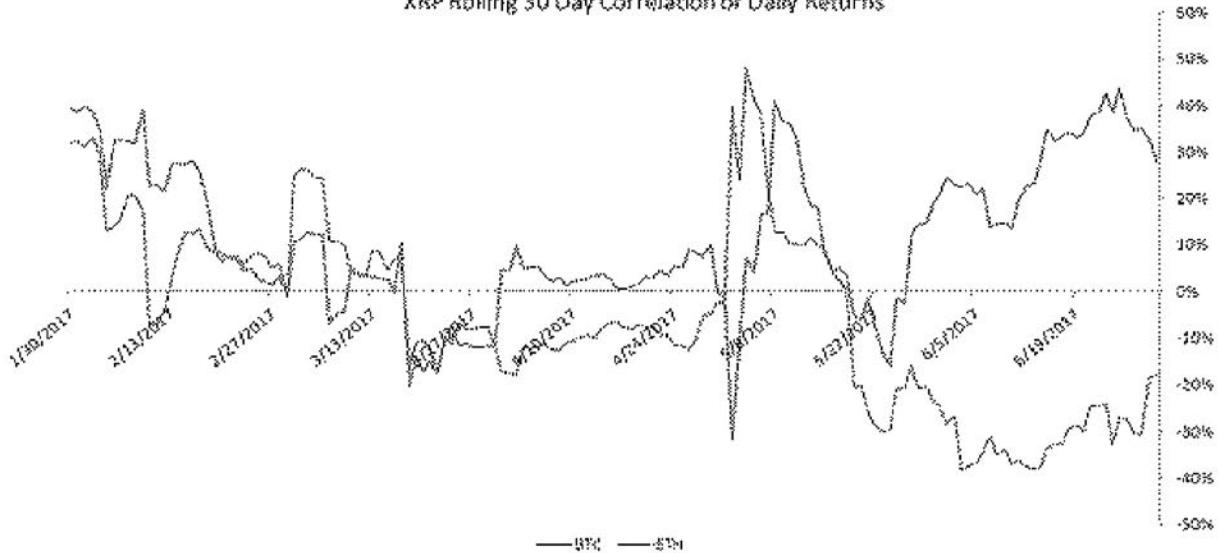
As it pertains to XRP's use case, the most compelling market evolution in the second quarter was the growth in volume generally, and of fiat volumes specifically. In Q1, XRP/BTC contributed to 85% of total daily volume. In Q2 that number dropped to 63%. In fact, XRP/FIAT volumes in Q2 were 21 times greater than XRP/BTC volumes in Q1. While some of this can be attributed to growth in USD and EUR pairs at Bitstamp and Kraken, the bulk of this transition was due to increased activity on Korean exchanges. On May 14th, Coinone became the first exchange to list KRW/XRP. Bithumb and Korbit followed suit shortly thereafter. Since then KRW has represented 52.1% of total daily volume, easily surpassing every other cross, including BTC.



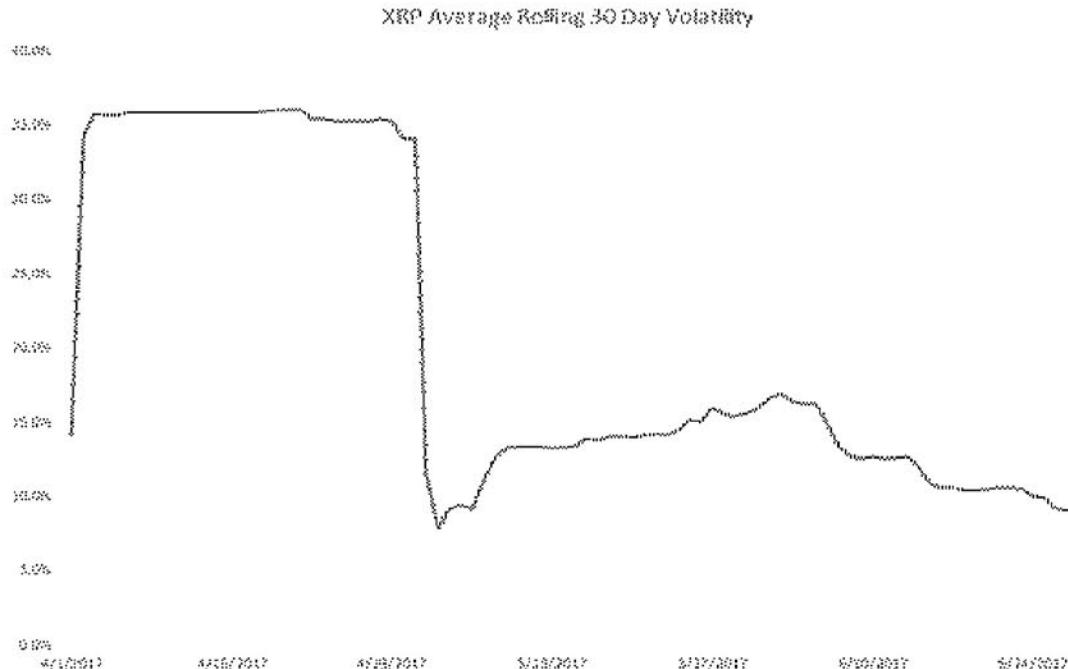
Correlation to Bitcoin and Ethereum

As the quarter unfolded, there was a decided shift in XRP's relationship to the rest of the digital asset space, particularly BTC and ETH. It is evident from the chart below, that as XRP began to rally in early May, it decoupled from ether and simultaneously began trading more closely with bitcoin. Now, all three assets experienced significant growth in Q2, but XRP led the way, driving correlations to nearly an annual low in late May, where things got truly interesting. As ETH finally began to rally, and XRP and BTC stabilized in early to mid-June, a clear divergence occurred. Likely due to its increased listings, XRP's correlation to BTC steadily climbed to nearly 50% and simultaneously dropped to -40% against ETH. This makes sense since ETH's rally began later, but the relationship change is stark and merits close attention, especially as it could impact how market participants structure their portfolios.

XRP Rolling 30 Day Correlation of Daily Returns

**Volatility Lands with Relative Normality**

Lastly, XRP's price appreciation was, not surprisingly, accompanied by an increase in volatility. Q1 daily volatility averaged 8.87%, an elevated figure due mostly to a material uptick at the end of the quarter as XRP markets came to life. Q2 saw a continuation of that activity, and average 30-day rolling volatility peaked at 36.1% on April 20th. In June, however, markets came back to relative normality and volatility retraced to 8.03% to end the quarter, a good sign going forward. The digital asset space in general, because of its relative youth tends to skew volatile. With increased participation and requisite liquidity, that tendency should abate, another market development to monitor over the following months.

**Q3 2017**

Last quarter left us with much to think about, and even more to do. We plan to focus on three areas of liquidity development as we drive XRP towards its natural position as the digital asset standard for international value transfer.

We are looking into formalizing the lending program we mentioned in the Q4 report, building out our OTC markets by bolstering our broker/dealer networks, and finding more ways to provide greater transparency to markets. Most importantly, we are accelerating the pace of our investment in the XRP Ledger to build on its speed, uptime, and scalability, to ensure XRP is the most trusted enterprise-grade digital asset.

From: Miguel Vias [REDACTED]
Sent: 20 July 2017 15:05

Subject: Re: Interviews with [REDACTED]

[REDACTED] both work perfectly well.

Is there any info you can share about the reporters before either interview?

On Thu, Jul 20, 2017 at 6:51 AM, [REDACTED] wrote:
Hi Miguel – nice to e-meet you! It's [REDACTED] here from the Ripple PR team in London.

To support the launch of the Q2 XRP Markets report we've reached out to our key targets offering interviews with you on the topic of cryptocurrency, in particular highlighting the success of XRP and the recent fall in bitcoin's share of the market. As a result, the following journalists would be keen to speak with you (see timings below):

Today, 20th July 2017
[REDACTED] technology editor at the [REDACTED] 8-9am PST

Friday, 21st of July 2017
[REDACTED] FX Correspondent at [REDACTED] 6am PST

We appreciate it's an early start for tomorrow's opportunity but if you were willing, it would be a great op to get in front of a top tier journalist with a strong hook.

Could you please confirm if you'd be available for these opportunities and we'll set things up with the journalists?

Many thanks,
[REDACTED]

From: [REDACTED]
Sent: 20 July 2017 14:34

To: [REDACTED]

Cc: [REDACTED]

Subject: Re: PLS READ: XRP Report

Hi [REDACTED] - can you please reach out to Miguel directly?

I'll share a doc that has some recent talking points that can help.

Thanks!

Sent from my iPhone

On Jul 20, 2017, at 5:46 AM, [REDACTED] > wrote:

Hi all,

[REDACTED] technology editor at the [REDACTED] would like to speak to Miguel on the topic of cryptocurrency, in particular highlighting the success of XRP and the recent fall in bitcoin's share of the market.

I was wondering if Miguel might still have the 8-9am slot available this morning to speak to him?

We will provide notes on the journalist for Miguel. If this time doesn't work, is there a time later in the week that would suit?

Thanks!

<image002.jpg>

[REDACTED]

On Jul 20, 2017, at 5:05 AM, [REDACTED]

vrote:

[REDACTED]

As discussed yesterday, we have been pitching for interviews with Miguel on the topic of cryptocurrency, in particular highlighting the success of XRP and the recent fall in bitcoin's share of the market.

[REDACTED] FX correspondent at [REDACTED] would like to speak to Miguel on this topic tomorrow as early in the day as possible. I appreciate with the time difference this might be tricky but could we possibly aim for 6am PT / 2pm UK? I know that's an early start but if Miguel was willing, it would be a fantastic op to get in front of a top tier journalist with a great hook.

We've also had interest from [REDACTED] at [REDACTED] - our dream target and notoriously difficult to get the attention of! He said he is due to write about ICos and cryptocurrencies in a couple of months and will be in touch for an interview then.

Thanks and look forward to hearing from you

Nic

[REDACTED]

<image002.jpg>

[REDACTED]

--
Miguel Vias | Head of XRP Markets
[REDACTED]
www.ripple.com

[REDACTED]

